

+ CHANGES IN HOME RULE SALES TAX IN JOLIET

Summary: Beginning with your September 1 sales,  
you will report your home rule sales tax to the state.

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|TO:|ALL RETAILERS AND  
+----+SERVICEPERSONS  
CONDUCTING  
BUSINESS IN  
JOLIET

Vending machines sales,  
which have been exempt  
from home rules sales  
tax, will be subject to  
the tax effective  
September 1.

DO I CONTINUE TO PAY  
HOME RULE TAX ON A  
"CAPPED" AMOUNT?

No. In Joliet, the  
amount of home rule  
sales tax has been  
based upon a "capped"  
amount, the first  
\$1,000 of each sales  
transaction. After  
September 1, you will  
charge home sales tax on  
the entire amount of  
each transaction.

This is to remind that,  
beginning with sales  
you make on September  
1, 1990, you will  
report and send to us  
both the home rule  
sales tax you collect  
and the state and local  
sales tax you have been  
collecting. These rates  
will be combined and  
preprinted on your Form  
ST-1, Sales and Use Tax  
Return.

You will report  
receipts from this  
general merchandise tax  
on line 4a on the ST-1.  
Your preprinted return  
will show the correct  
combined rate.

Joliet's 0.75 percent  
home rule sales tax  
rate for QUALIFYING  
FOOD, DRUGS, AND  
MEDICAL APPLIANCES  
remains in effect.

WHAT DO I DO WHEN A  
CUSTOMER PAYS ME AFTER  
SEPTEMBER 1 FOR A  
PURCHASE MADE EARLIER AT  
A DIFFERENT RATE?

It may be necessary to  
adjust your cash  
registers and any  
computer programs you  
use so that, beginning  
on September 1, you  
will be collecting and  
paying the correct  
amounts.

Therefore, the combined  
food and drug rate will  
be 2 percent.

If the original purchase  
was made at a different  
tax rate from those  
rates in Line 4a and 5a,  
you must report these  
receipts on Line 8a of  
the ST-1.

HAS THE HOME RULE SALES  
TAX RATE CHANGED?

Prescription drugs and  
medical appliances,  
which have been exempt  
from home rule sales  
tax, will be subject to  
the tax effective  
September 1.

WHAT'S NEW FOR AUTO  
DEALERS AND THOSE WHO  
SELL OTHER TITLED ITEMS?

Joliet's 0.75 percent  
home rule sales tax rate  
for general merchandise  
remains in effect.  
Therefore, the combined  
general merchandise rate  
will be 7.25 percent.

You will report  
receipts from food and  
drug tax on line 5a of  
the ST-1. Your  
preprinted return will  
show the correct  
combined rate.

If you sell cars or  
other items that require  
a title, you should pay  
special attention. The  
home rule sales tax does  
not apply to these  
sales, and receipts from  
these sales will  
continue to be taxed at  
the current rate of 6.5  
percent when reported on  
Form ST-556.

However, the rate of 7.25 percent reported on Form St-1 will apply to receipts from sales of general merchandise, such as the parts you sell over the counter and the parts you use during service of motor vehicles and airplanes.

Also, Joliet has a HOME RULE USE tax that applies to cars and other items that require a title. The municipality is responsible for collecting this tax. Call the Business License Division at (815) 740-2485 if you need information about the home rule use tax.

WHAT'S NEW FOR RETAILERS OF MOTOR FUEL?

Joliet's 1-cent-per-gallon motor fuel tax remains in effect, and this tax should be reported directly to your home rule municipality. In addition, motor fuel is subject to the 0.75 percent home rule sales tax on general merchandise. You will report these sales along with all of your other general merchandise sales on your ST-1, paying the combined general merchandise rate 7.25 percent.

WHAT'S NEW FOR SELLERS OF PREPARED FOOD AND BEVERAGES?

You are accustomed to paying the following taxes on restaurant-type (prepared) food:

2) a Joliet food and beverage tax of 1.7 percent. Before September 1, the Joliet home rule sales tax did not apply to prepared food.

Beginning with your sales on September 1, you will collect and pay to us:  
1) the state sales tax of 6.5 percent; and  
2) the Joliet home rule sales tax of 0.75 percent. You will report these sales along with all of your other general merchandise sales on your ST-1, paying the combined general merchandise rate of 7.25 percent.

Then you should pay DIRECTLY to the city of Joliet its FOOD AND BEVERAGE TAX, which has been reduced to 1 percent.

DO I CHARGE HOME RULE TAX TO ILLINOIS CUSTOMERS WHO LIVE OUTSIDE MY HOME RULE MUNICIPALITY?

Effective September 1, 1990, you will charge home rule tax on your sales (except sales reported on Form St-556) regardless of your Illinois customer's address or the sale's point of delivery within this state.

WHAT ARE MY SPECIAL FILING INSTRUCTIONS?

+ Monthly Filers

Your September return will be the first return to have combined rates. The due date is October 31, 1990, for the return for September 1990.

+ Quarterly Filers

You will have two returns for the third quarter. The return for July and August will be preprinted with the lower rates, and a return for September will be preprinted with the higher combined rates. The due date for both returns is October 31, 1990.

+ Annual Filers

You will have two returns for 1990. The return for January through August will be preprinted with the lower rates, and a return for September through December will be preprinted with the higher combined rates. The due date for both returns is January 31, 1991.

QUESTIONS?

If you have questions or need more information, please call or write us. Our telephone numbers and address are listed at the bottom of this bulletin.

1) the state and  
local sales tax of  
6.5 percent; and

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FOR                   CALL: 1 800 732-8866 or  
INFORMATION           1 217 782-3336  
                      WRITE: Illinois Department of Revenue  
                          101 W. Jefferson St., P.O. Box 19044  
                          Springfield, IL 62794-9044

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